

AMENDED IN ASSEMBLY AUGUST 20, 2001

AMENDED IN ASSEMBLY JULY 23, 2001

AMENDED IN ASSEMBLY JULY 14, 2001

CALIFORNIA LEGISLATURE—2001–02 SECOND EXTRAORDINARY SESSION

ASSEMBLY BILL

No. 59

Introduced by Assembly Member Alquist

May 25, 2001

An act to add Section 739.12 to, and to add and repeal Section 380.5 of, the Public Utilities Code, relating to public utilities.

LEGISLATIVE COUNSEL'S DIGEST

AB 59, as amended, Alquist. Public utilities: rates.

Under the Public Utilities Act, the Public Utilities Commission has regulatory authority over electrical and gas corporations.

This bill would require the commission to establish a rate reduction program applicable to residential customers *of an electrical corporation* who decrease their consumption of electricity by 20 percent or more from the comparable period of the prior year, on a month-to-month basis, for calendar year 2002. *The bill would require the Department of Water Resources to fund the program until the electrical corporation resumes procurement of electric power on behalf of its customers. After the resumption of electric power procurement by the electrical corporation, program-related costs incurred by the electrical corporation would be recoverable in rates.* The bill would require the commission to annually evaluate the program and report to the Legislature.

Existing law requires the commission to designate a baseline quantity of electricity and gas necessary for a significant portion of the reasonable energy needs of the average residential customer and in so doing to take into account climatic and seasonal variations in consumption and the availability of gas service. Existing law requires the commission to require that every electrical and gas corporation file a schedule for rates and charges providing baseline rates. Existing law requires that the baseline rate apply to the first or lowest block of an increasing block rate structure that is the baseline quantity. Existing law requires, in order to maintain certain ratios, the commission to review and revise baseline quantities as average consumption patterns change.

This bill would require the commission to review and recalculate the baseline quantity designated under these provisions, not later than 30 days from the effective date of this bill, and not less than every 2 years thereafter. The bill would prevent the commission from adjusting the baseline quantity downward for winter or summer months for any climatic zone in the state prior to July 1, 2003.

The bill would require the commission, on or before December 1, 2001, to submit a report to the Legislature regarding the feasibility of (1) adopting a baseline quantity that is based on consideration of the number of residents per household and the use of residences as home offices and (2) establishing a category of customer distinguishable from industrial and commercial customers that includes electronic manufacturers, Internet service companies, and similar businesses.

Because any violation of the act or an order of the commission is a crime under existing provisions of the law, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 380.5 is added to the Public Utilities
- 2 Code, to read:



380.5. (a) The commission shall establish a rate reduction program applicable to residential customers *of an electrical corporation* who decrease their consumption of electricity by 20 percent or more from the comparable period of the prior year, on a month-to-month basis, for calendar year 2002. *The Department of Water Resources shall fund the program until the electrical corporation resumes procurement of electric power on behalf of its customers. After the resumption of electric power procurement by the electrical corporation, program-related costs incurred by the electrical corporation shall be recoverable in rates.*

(b) The commission, annually, shall evaluate and submit a report to the Legislature on the rate reduction program established pursuant to subdivision (a).

(c) This section shall remain in effect only until January 1, 2003, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2003, deletes or extends that date.

SEC. 2. Section 739.12 is added to the Public Utilities Code, to read:

739.12. (a) The commission shall review and recalculate the baseline quantity designated pursuant to Section 739, not later than 30 days from the effective date of this section, and not less than every two years thereafter. The baseline quantity shall be based on current information about average household usage of electricity and gas.

(b) The commission may not adjust the baseline quantity downward for winter or summer months for any climatic zone in the state prior to July 1, 2003.

SEC. 3. The commission shall submit a report to the Legislature on or before December 1, 2001, that evaluates the feasibility of both of the following:

(1) Adopting a baseline quantity that is based on consideration of the number of residents per household and use of residential facilities as home offices.

(2) Establishing a category of customer distinguishable from industrial and commercial customers that includes electronic manufacturers, Internet service companies, and similar businesses.

SEC. 4. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school

1 district will be incurred because this act creates a new crime or
2 infraction, eliminates a crime or infraction, or changes the penalty
3 for a crime or infraction, within the meaning of Section 17556 of
4 the Government Code, or changes the definition of a crime within
5 the meaning of Section 6 of Article XIII B of the California
6 Constitution.

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